

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2962
ANSWERED ON:22.08.2006
EXPORT INSURANCE SCHEME .
Sarvey Shri Sathyanarayana

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) Whether the Government proposes to formulate any export insurance scheme;
- (b) If so, the details alongwith its aim and objective; and
- (c) The time by which it is likely to be implemented?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) to (c) Government of India has set up an Export Credit Guarantee Corporation of India Ltd. (ECGC) in 1957 for insurance for the credits extended by the exporters to overseas buyers. ECGC has been in the field of export credit insurance since then, supporting the exporters of the goods and services and projects and banks financing such exports. With a view to facilitating medium and long term exports and considering the limitations of the Export Credit Guarantee Corporation in providing adequate cover on its own and non-availability of re-insurance cover to such exporters; the Government has decided to establish a National Export Insurance Account (NEIA) and is operating the scheme from March 07, 2006. The objective of the NEIA scheme is to ensure availability of credit risk cover for medium and long term high value projects which are commercially viable and desirable from the point of view of national interest where re-insurance cover is not available or its cost is very high. The National Export Insurance Account will have a corpus of Rs.2000 crores, of which Rs.246 crores will be contributed during the 10th Plan and Rs.1754 crores will be contributed during the 11th Plan period. The Account shall be maintained and operated by a Public Trust set up jointly by Department of Commerce and the ECGC.